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TAGS: EAID ECON EFIN EINV ETRD PGOV PREL

SUBJECT: FRENCH SUPPORTIVE OF IRAQ COMPACT, TALABANI VISIT

KEY

REF: A. A) SECSTATE 165112

\_B. B) TOKYO 5648

Classified By: Minister Counselor for Economic Affairs Thomas White for reasons 1.4 (b) and (d)

- 11. (C) We raised ref A points on the International Compact with Iraq with Ambassador Jean-Pierre Guinhut, the MFA,s Inter-Ministerial Coordinator for Iraq Reconstruction, on October 12. Guinhut reiterated strong French support for the Compact, although he stated that President Talabani,s visit to President Chirac in early November (and followed up presumably by a visit from PM al-Malaki) would be the key to securing tangible contributions from France. He noted that French foreign policy, particularly on this issue, is made by Chirac. Unfortunately Talabani has a history with Chirac which, Guinhut said, Chirac is not likely to have forgotten. (Guinhut would not comment further, saying only that it related to an incident from the past in which Talabani appeared to have acted in a manner inimical to Chirac,s domestic political standing.)
- 12. (C) Guinhut lamented what he said was a lack of seriousness displayed by Talabani at the briefing in New York, saying that several Arab delegates had confided their irritation at the way Talabani appeared to be only half-listening to foreign ministers during their speeches while apparently trading jokes with other Iraqis. Nevertheless, Guinhut claimed that France has already been working on Iraq reconstruction projects, primarily with Japan (ref B). Execution of the still-open French offer to train police has been problematic due to language barriers and ensuring the right personnel get the right training.
- 13. (C) Guinhut said private sector interest in Iraq is very high, but the French government has not yet given the &green light8 to French industry. In an economy like France,s with a long history of state intervention, this would be an important condition for the French private sector to take a chance on doing business in Iraq.
- 14. (C) Guinhut also expressed worries that Deputy Prime Minister Barham Salih has not done enough to ensure buy-in from other government ministers. He said it is essential that the vision set out in the Compact correspond with the political compromises already made in Iraq. And it was equally important that the Iraqis show genuine ownership of the Compact drafting process.
- 15. (C) Guinhut,s comments track with the readout we received from the Japanese Embassy of an October 6 meeting between Guinhut and Gotaro Ogawa, the Japanese Ambassador for Iraq

Reconstruction. In that meeting, Guinhut reportedly stated that France wants to &move beyond the past8 and establish better relations with Iraq, but emphasized that &there,s still a war going on8 and suggested that France would not be making any significant financial investment in Iraq while the instability persists. Ogawa apparently left that meeting unconvinced that the Talabani visit to Paris would take place.

16. (C) COMMENT: President Talabani,s planned November 2 visit to France (and any eventual follow-on by PM al-Malaki) will be crucial in determining whether France engages more substantially in Iraq reconstruction. Guinhut intimated that Chirac can be convinced, but it will take a seriousness of purpose that the French Ambassador clearly believes Talabani has difficulty mustering.

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